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2009 MAY -8 P 4: 03

Arizona Corporation Commission

AZ CORP COMMISSION
DOCKET CONTROL

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MAY - 8 2009

Attorneys for WILHOIT WATER COMPANY,
INC

DOCKETED BY

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BEFORE THE ARIZONA CORPORATION COMMISSION

In the Matter of THE APPLICATION OF
WILHOIT WATER COMPANY, INC.,
YAVAPAI MOBILE HOME ESTATES
SYSTEM, FOR RETROACTIVE
APPROVAL OF A FINANCING
APPLICATION

DOCKET NO. W-02065A-07-0308

In the Matter of THE APPLICATION OF
WILHOIT WATER COMPANY, INC.,
YAVAPAI MOBILE HOME ESTATES
SYSTEM, FOR A APPROVAL OF A
FINANCING APPLICATION

DOCKET NO. W-02065A-07-0309

In the Matter of THE APPLICATION OF
WILHOIT WATER COMPANY, INC.,
YAVAPAI MOBILE HOME ESTATES
SYSTEM, FOR APPROVAL OF A
PERMANENT RATE INCREASE.

DOCKET NO. W-02065A-07-0311

In the Matter of THE APPLICATION OF
WILHOIT WATER COMPANY, INC.,
YAVAPAI MOBILE HOME ESTATES
SYSTEM, FOR APPROVAL OF A
FINANCING APPLICATION FOR A NEW
ARSENIC TREATMENT SYSTEM

DOCKET NO. W-02065A-09-0123

DRAFT PUBLIC NOTICE

The Court requested a draft of the Public Notice to be supplied to the customers of the Yavapai Mobile Home Estates System. Attached is a draft of the Public Notice that has been reviewed by the Company and by Staff (Exhibit A). Also attached is a draft of a cover letter the Company proposes to accompany the Public Notice (Exhibit B).

1 DATED this 8th day of May, 2009.

2
3 MARTIN & BELL, L.L.C.

4
5 By 

6 Douglas G. Martin
7 365 East Coronado Road, Suite 200
8 Phoenix, Arizona 85004
9 Attorneys for Wilhoit Water Company, Inc.

10 ORIGINAL filed with copies
11 mailed/delivered this 8th day
12 of May, 2009 to:

13 Jim West
14 WEST & COMPANY, L.L.C.
15 365 East Coronado Road, Suite 200
16 Phoenix, AZ 85004

17 Christopher Kempley, Chief Counsel
18 Legal Division
19 ARIZONA CORPORATION COMMISSION
20 1200 West Washington Street
21 Phoenix, AZ 85007

22 Ernest G. Johnson, Director
23 Utilities Division
24 ARIZONA CORPORATION COMMISSION
25 1200 West Washington Street
26 Phoenix, AZ 85007

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Hearing Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

Arizona Reporting Service, Inc.
2200 North Central Avenue, Suite 502
Phoenix, AZ 85004

A

PUBLIC NOTICE OF
AN APPLICATION FOR AN ORDER
AUTHORIZING THE ISSUANCE OF DEBT
BY WILHOIT WATER COMPANY, INC.
(Yavapai Mobile Home Estates)

Docket Nos. W-02065A-09-0123 and W-02065A-07-0311

Draft

Wilhoit Water Company, Inc. (Company) filed an Application with the Arizona Corporation Commission (Commission) for an order authorizing Applicant to obtain a 20-year, \$320,000 loan to purchase and install an Arsenic Remediation System. In addition, the Company has requested that the Commission authorize a surcharge to pay debt service on the loan.

The estimated monthly surcharges by meter size would be as follows: 5/8 x 3/4-inch, \$12.44; 2-inch, \$99.55; and 4-inch, \$311.10. The actual amounts authorized by the Commission may be greater or less than these estimates.

The application is available for inspection during regular business hours at the office of the Commission in Phoenix, Arizona, the Company's offices in Clarkdale, Arizona and the Commission's website using the EDocket function at: <http://edocket.azcc.gov>.

Intervention in the Commission's proceedings on the application shall be permitted to any person entitled by law to intervene and having a direct substantial interest in this matter. Persons desiring to intervene must file a Motion to Intervene with the Commission which must be served upon applicant and which, at a minimum, shall contain the following information:

1. The name, address and telephone number of the proposed intervenor and of any person upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding.
3. Whether the proposed intervenor desires a formal evidentiary hearing on the application and the reasons for such a hearing.
4. A statement certifying that a copy of the Motion to Intervene has been mailed to Applicant.

The granting of Motions to Intervene shall be governed by A.A.C. R14-3-105, except that all Motions to Intervene must be filed on, or before, the 15th day after this notice.

B

Dear Customer:

Draft

Attached is a Public Notice the Company is required to provide to all of our customers because we have filed an application with the Arizona Corporation Commission to obtain a loan of up to \$320,000 to purchase and install an arsenic remediation system.

Last year, the Company installed an Arsenic Treatment System that had been reviewed, approved and inspected by the Arizona Department of Environmental Quality. Unfortunately, that system failed shortly after it was installed because it was poorly designed and undersized for the level of arsenic in the water. Since that time, customers of the Company have been receiving potable water from the City of Prescott. The Company has been notified by Prescott that the City will not supply water on an on-going basis and that the City will disconnect the Yavapai Mobile Home Estates System in the near future.

The Company is committed to supplying potable water to our customers that meet all federal and state drinking water standards. To do so, the Company has no choice but to purchase and install a costly arsenic treatment system that will lower the arsenic to levels that meet the federally established standard.

The company has submitted an application for a loan from the Water Infrastructure Financing Authority of Arizona (WIFA) to fund the design, purchase and installation of the arsenic treatment system. WIFA is an agency of the State of Arizona and provides low interest loans to public and private water systems for required improvements. This loan would be amortized over a term of twenty years. The Company is listed as eligible to receive the required loan from WIFA and is hopeful that we will receive a loan with the lowest possible interest rate to minimize the surcharge impact on our customers.

Wilhoit understands that this is a difficult economic time for everyone and the Company would not be undertaking this project if there were any viable alternatives or if we were not required to do so by state and federal standards.

Please contact us if you have any questions about this application.